

# **Hotline for Migrant Workers (R.A.)**

## **Financial Reports**

**For December 31, 2012**

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**Auditing Accountant Report**  
**for**  
**The Hotline for Migrant Workers (R.A.)**

We have audited the enclosed balance sheets of **The Hotline for Migrant Workers (R.A.)** for the dates December 31, 2012 and 2011 the activities report, and the statement of changes in assets for each of the years ended at these dates. The organisation's board of directors and management are responsible for these reports. Our responsibility is to comment on these reports based on our audit.

We have conducted our audit according to customary standards of auditing, including standards set forth in the regulations of accountants (accountant's conduct) 5733 – 1973. We are required according to these standards to plan the audit and carry it out in order to attain a reasonable degree of confidence that the financial statements do not contain a fundamental false representation. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes an examination of the accounting rules applied and of the significant estimates made by the organisation's directors and management, as well as evaluation of the overall validity of the representation in the financial statements. We believe that our audit provides

In our opinion these reports give a true and fair view, according to the customary standards of accounting in all essential aspects, of the financial state of affairs of the organisation for the dates December 31, 2012 and 2011 and the outcomes of its actions for each of the years ended at these dates – in nominal values.

*Romano Blanga and Associates*  
Accountants

**Tel-Aviv, June 24, 2012**

# Hotline for Migrant Workers (R.A.)

## Balance Sheet

		2011	2012
	Note	NIS	NIS
<b>Current Assets</b>			
Cash and cash equivalents		741,182	929,896
Prepaid Expenses	2	<u>161,169</u>	<u>232,185</u>
		<u>902,351</u>	<u>1,162,081</u>
<b>Fixed Assets</b>			
Cost	3	307,163	325,313
Minus accumulated depreciation		<u>(204,569)</u>	<u>(231,846)</u>
		<u>102,594</u>	<u>93,467</u>
<b>Other Assets</b>			
Cost		37,418	37,418
Minus accumulated depreciation		<u>(33,931)</u>	<u>35,163</u>
		<u>3,487</u>	<u>3,487</u>
		<u>1,008,432</u>	<u>1,257,803</u>
<b>Current Liabilities</b>			
Suppliers and service providers	4	90,453	59,356
Creditors and positive balance amounts	5	<u>308,821</u>	<u>608,931</u>
		<u>399,274</u>	<u>668,287</u>
<b>Reserves</b>			
Severance pay reserve	6	<u>43,446</u>	<u>52,336</u>
<b>Net Assets</b>			
<b>Unrestricted net assets:</b>			
For activities usage		156,671	113,793
Used for buying tangible fixed assets		<u>106,081</u>	<u>95,722</u>
		<u>262,752</u>	<u>209,515</u>
<b>Temporarily restricted net assets:</b>			
		<u>302,960</u>	<u>327,665</u>
		<u>565,712</u>	<u>537,180</u>
		<u>1,008,432</u>	<u>1,257,803</u>

Miri Osin  
Board Member

Ellen Kuchali  
Board Chairperson

Tel-Aviv, June 24, 2012

Date of approval of financial reports

The enclosed notes and lists form an integral part of the financial statements.

# Hotline for Migrant Workers (R.A.)

## Activities Report

		For the year ending	
		December 31	
	Notes	2011	2012
		NIS	
<b>Turnover from Activities</b>			
Donations		476,193	649,392
Government grants	7	84,406	13,700
Membership dues		4,900	9,960
Other income		100,391	228,182
Amounts released from restriction		1,126,363	1,405,266
<b>Total Turnover from Activities</b>		<b>1,792,253</b>	<b>2,306,500</b>
Cost of activities	8	2,053,257	2,053,811
<b>Net Revenues from Activities</b>		<b>(261,004)</b>	<b>252,689</b>
General and Administrative Expenses	9	101,568	120,441
Fundraising		144,966	174,061
<b>Net Revenues Before Financing</b>		<b>(507,538)</b>	<b>(41,813)</b>
Net financing costs	10	157	11,424
<b>Net Surplus (Deficit) for This Year</b>		<b>(507,381)</b>	<b>(53,237)</b>

The enclosed notes and lists form an integral part of the financial statements.

# Hotline for Migrant Workers (R.A.)

## Statement of Changes in Net Assets

	Net assets on which there is no restriction		Net assets on which there is temporary restriction (*)	Total
	Used for activities	Used for fixed assets		
NIS				
<b>Balance as at December 31, 2010</b>	<b>651,932</b>	<b>118,201</b>	<b>293,952</b>	<b>1,064,085</b>
<b>Transactions in 2011</b>				
<b>Additions during the year</b>				
Donations	--	--	1,135,371	1,135,371
Net surplus (deficit) for the year	(507,381)	--	--	(507,381)
<b>Withdrawals during the year</b>				
Amounts released from restriction	--	--	(1,126,363)	1,126,363
Transfer of amounts on which there is no restriction used for fixed assets	(22,941)	22,941	--	--
Amounts transferred to cover depreciation expenses	35,061	(35,061)	--	--
<b>Balance as at December 31, 2011</b>	<b>156,671</b>	<b>106,081</b>	<b>302,960</b>	<b>565,712</b>
<b>Transactions in 2012</b>				
<b>Additions during the year</b>				
Donations	--	--	1,429,971	1,429,971
Net surplus (deficit) for the year	(53,237)	--	--	(53,237)
<b>Withdrawals during the year</b>				
Amounts released from restriction	--	--	(1,405,266)	(1,405,266)
Transfer of amounts on which there is no restriction used for fixed assets	(18,150)	18,150	--	--
Amounts transferred to cover depreciation expenses	(28,509)	28,509	--	--
<b>Balance as at December 31, 2012</b>	<b>113,793</b>	<b>95,722</b>	<b>327,665</b>	<b>537,180</b>

(\*) The restrictions used to categorise the net assets were those imposed by external bodies.

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2012

### Note 1 - Principle Accounting Policies

#### A. General

- 1) The Hotline for Migrant Workers (R.A.) was founded in 1999 and registered at the Israeli Associations Registrar (Rasham Ha'amotot). Registered Association number: 58-033-309-4. The organization has a Sec 46 certificate.

Its goals are:

- To assist migrant workers, asylum seekers and refugees in fulfilling their rights and to impact government policy to this end.
- To provide assistance to migrant workers, asylum seekers and refugees and to their families.
- To increase public awareness to the ongoing violations of rights of migrant workers, asylum seekers and refugees.
- To eradicate the phenomenon of trafficking in persons in Israel.
- To act against racism and xenophobia in Israeli society.

#### 2) Definitions:

- The Association Hotline for Migrant Workers (R.A.)  
Attached parties As defined in statement no. 29 of the Israeli Institute of Certified Public Accountants.

#### B. Effects of changes in purchasing power of Israeli currency:

The financial statements are set according to customary accounting rules, based on the historical value, without accounting for changes in the purchasing power of Israeli currency.

#### C. Cash equivalents:

Cash equivalents are considered by the Association to be investments with high liquidity, including bank deposits that are closed for up to three months.

#### D. Assets and equipment:

The sums of non financial assets do not necessarily reflect the realization value or current economic value, rather only the original historical costs. The assets and equipment are shown according to cost. The depreciation is calculated according to the equal depreciation method, based on the estimated period of use.

#### Yearly depreciation rates:

	%
Furniture and equipment	7-15
Computers and computer equipment	33

The rates of depreciation used are identical to the permitted rates according to the Tax Order.

#### E. Other Assets:

Other assets are depreciated according to the expected lifespan as estimated by the Association's management.

#### Yearly depreciation rates:

%

10

#### F. Exchange rate and linking base:

	<u>2011</u>	<u>2012</u>	<u>Rates of change during the year</u>
Consumer price index	104	112	7.84%
U.S. dollar	4	4	-2.30%
Euro	5	5	-0.35%

- G. A cash flow report, as stipulated in statement no. 51 of the Israeli Institute of Certified Public Accountants, is not given because it does not provide any additional meaningful information.

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2012

### Note 2 - Prepaid Expenses

	December 31	
	2011	2012
	NIS	
Income to be received	114,526	188,450
Prepaid expenses	46,643	43,735
	<u>161,169</u>	<u>232,185</u>

### Note 3 - Net Fixed Assets

	Balance			Balance
	at the start	Additions	Reductions	at the end
	of the year	NIS		of the year
<b>Cost:</b>				
Furniture and equipment	121,392	10,343	--	131,735
Computers and computer equipment	160,298	5,952	--	166,250
Renovation of rented offices	25,473	1,855	--	27,328
	<u>307,163</u>	<u>18,150</u>	--	<u>325,313</u>
<b>Accumulated depreciation:</b>				
Furniture and equipment	55,503	13,348	--	68,851
Computers and computer equipment	142,306	11,920	--	154,226
Renovation of rented offices	6,760	2,009	--	8,769
	<u>144,068</u>	<u>27,277</u>	--	<u>231,846</u>
<b>Net fixed assets:</b>	<u>102,594</u>			<u>93,467</u>

### Note 4 - Suppliers and service providers

	December 31	
	2011	2012
	NIS	
Suppliers and service providers	20,342	21,392
Checks to be redeemed	70,111	37,964
	<u>90,453</u>	<u>59,356</u>

### Note 5 - Creditors and positive balance amounts

	December 31	
	2011	2012
	NIS	
Expenses payable	19,122	26,472
Various creditors	1,000	--
Institutions	43,114	52,043
Employees	83,676	94,078
Provision for staff vacation pay	36,527	50,038
Advanced income	125,382	386,300
	<u>308,821</u>	<u>608,931</u>

# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2012

### Note 6 - Severance pay reserve

- A. The obligation towards severance pay is covered, for some employees, by employee insurance policies. Monies deposited with insurance companies are not included in the balance sheet as they are not under the control of the Association.
- B. The severance pay reserve included in the balance sheet reflects the remaining obligation, which is not covered by the above said insurance policies, and is calculated in accordance with the elements of the salaries to which, in the opinion of the management, the employees are entitled when receiving severance pay.
- C. The reserve does not include monies put aside for temporary employees that are not yet entitled to severance pay according to the law.
- D. The make up of this section is as follows:

	December 31	
	2011	2012
Severance pay reserve	NIS	
	43,446	52,336

### Note 7 - Government grants

Includes grant from the Tel Aviv Municipality for 2011 in the sum of 13,700 NIS (14,406 NIS in 2011).  
In addition, the Association was granted a reduction in municipal taxes in the sum of 18,905 NIS, which were decreased from the expenses in 2011 (18276 NIS in 2011).

### Note 8 - Cost of Activities

	December 31	
	2011	2012
	NIS	
Wages and related expenses	1,309,028	1,378,691
National service volunteers	41,499	45,359
Office supplies	112,438	43,902
Books, research and training	57,868	40,476
Publishing expenses	7,253	15,817
Public activities and events	49,199	81,607
Rent	91,200	132,754
Post, telephone and communications	37,542	47,494
Humanitarian aid	8,209	4,443
Legal expenses	202,719	142,735
Insurance	11,412	12,116
Travel	34,736	35,927
Travel abroad	7,418	13,732
Municipal taxes and association fees	49,429	31,674
Depreciation expenses	33,308	27,084
	<u>2,053,257</u>	<u>2,053,811</u>



# Hotline for Migrant Workers (R.A.)

## Notes to the Financial Statements for December 31, 2012

### Note 9 - General and Administrative Expenses

	December 31	
	2011	2012
	NIS	
Wages and related expenses	29,884	31,851
Office supplies	10,234	3,394
Post, telephone and communications	1,976	5,277
Rent and maintenance	4,800	14,750
Bookkeeping	30,000	30,110
Municipal taxes and association fees	2,602	10,000
Accountant	11,600	3,519
Gifts	5,082	13,713
Insurance	601	1,346
Travel	3,838	5,136
Other	(801)	(80)
Depreciation costs	1,753	1,425
	<u>101,568</u>	<u>120,441</u>

### Note 10 - Net Financing Costs

	December 31	
	2011	2012
	NIS	
Bank interest and commissions	8,648	9,065
Differences in exchange rates	2,802	4,718
Income from interest	(11,607)	(2,359)
	<u>(157)</u>	<u>11,424</u>

# Hotline for Migrant Workers (R.A.)

## Addendum to the Financial Statements for December 31, 2012

### Addendum A: List of donors who gave at least 20,000 NIS

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
Sigrid Rausing Trust	295,000	General Support
Sigrid Rausing Trust	62,260	General Support
	357,260	
UNODC	71,025	Combating Trafficking in Persons
UNODC	24,700	Combating Trafficking in Persons
	95,725	
The New Israel Fund	89,729	Refugees General Support
UNHCR	556,668	Refugees
Anonymus donor	115,641	
Sebba Trust	150,000	Refugees
Moriah Fund	119,927	Refugees
The Zanyvi and Isabelle Krieger Foundation	75,660	General Support
Cafod	59,560	Migrants
Ministry of Justice	53,000	Combating Trafficking in Persons
The European Union	90,517	Refugees
Rosa Luxemburg foundation	35,921	International Migrants Day
The European Union	12,500	End Child Detention Project
Howard Langer	37,330	General Support

### Addendum B: List of donations received from external political entities

<u>Name of Donor</u>	<u>NIS</u>	<u>Purpose</u>
UNHCR	556,668	Refugees
US State Department	11,571	Combating Trafficking in Persons
UNODC	24,700	Combating Trafficking in Persons
UNODC	71,027	Combating Trafficking in Persons
The European Union	90,517	Refugees
The European Union	12,500	End Child Detention Project
Rosa Luxemburg Foundation	35,921	International Migrants Day

### Addendum C: List of five highest salaries

	<u>Name of Employee</u>	<u>Gross wages</u>	<u>Additional costs</u>	<u>Total cost of wages</u>
1	Michaeli Reut	191,136	3,630	194,766
2	Rozen Sigal	141,104	(2,377)	138,727
3	Saar Emi	133,580	493	134,073
4	Lifshitz Osnat	128,140	7,091	135,231
5	Berman Yonatan	101,917	(4,736)	97,181